

2009 State Employee Compensation Briefing

**Government Operations and Political
Subdivisions Interim Committee
June 17, 2009**

- **Part 1 - Employee Facts**
- **Part 2 - Salary Facts**
- **Part 3 - Compensation Spending**



Slide 1

Part 1 - Employee Facts

2009

- **Total state employees = 24,921** including elected officials and board and commission members, and legislative session employees (Slide 1.1)
- **Of state employees:**
 - **93.5% work in the executive branch** (Slide 1.1)
 - **65.9% are on the career service merit system and 34.1% are not** (Slide 1.2)
 - **44.4% are in a “professional” job assignment** (Slide 1.3)
 - **10.9% are in a “paraprofessional job assignment (the second largest category)** (Slide 1.3)
- **The number of state employees (as a percent of the state population) has decreased each of the last ten years from a high of .896% in 1999 to .764% in 2009** (Slides 1.4 and 1.5)

Source: Based on Statistics obtained from the Department of Human Resource Management April 20, 2009; Office of Planning and Budget, 2009 Economic Report to the Governor

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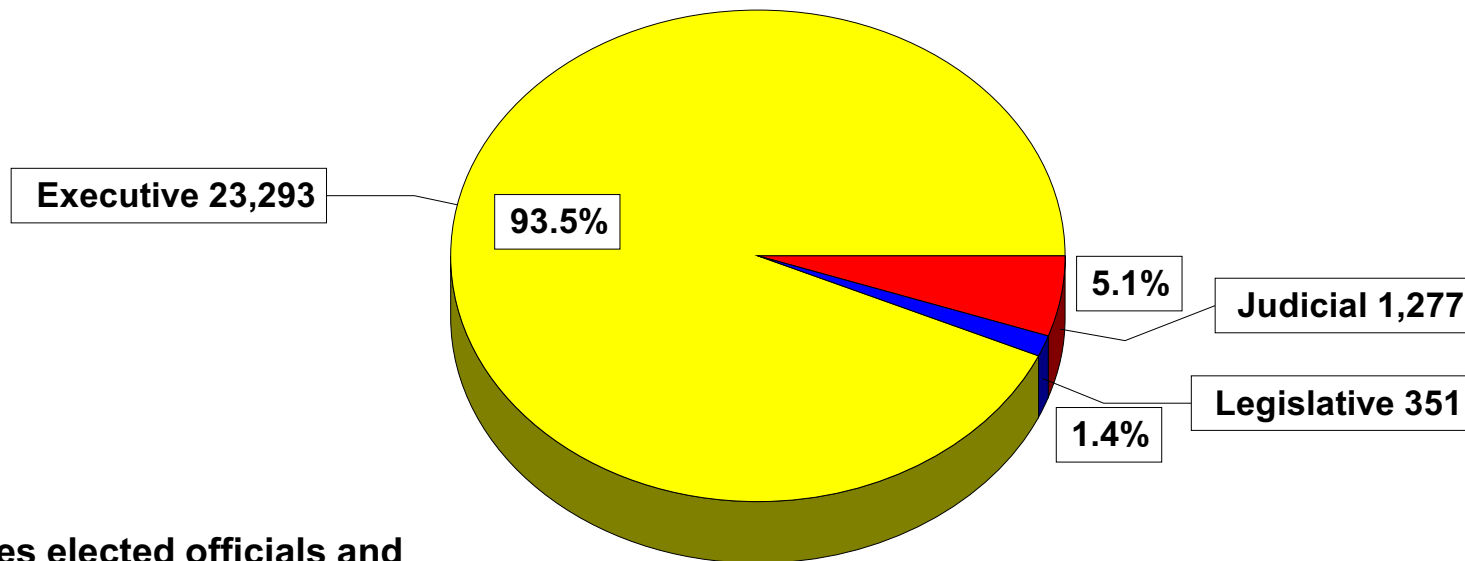


Slide 1.1

State Employees – Branch

***Total Employees 24,921 – April 2009**

Total Employees By Branch



***Includes elected officials and board and commission members, and legislative session employees**

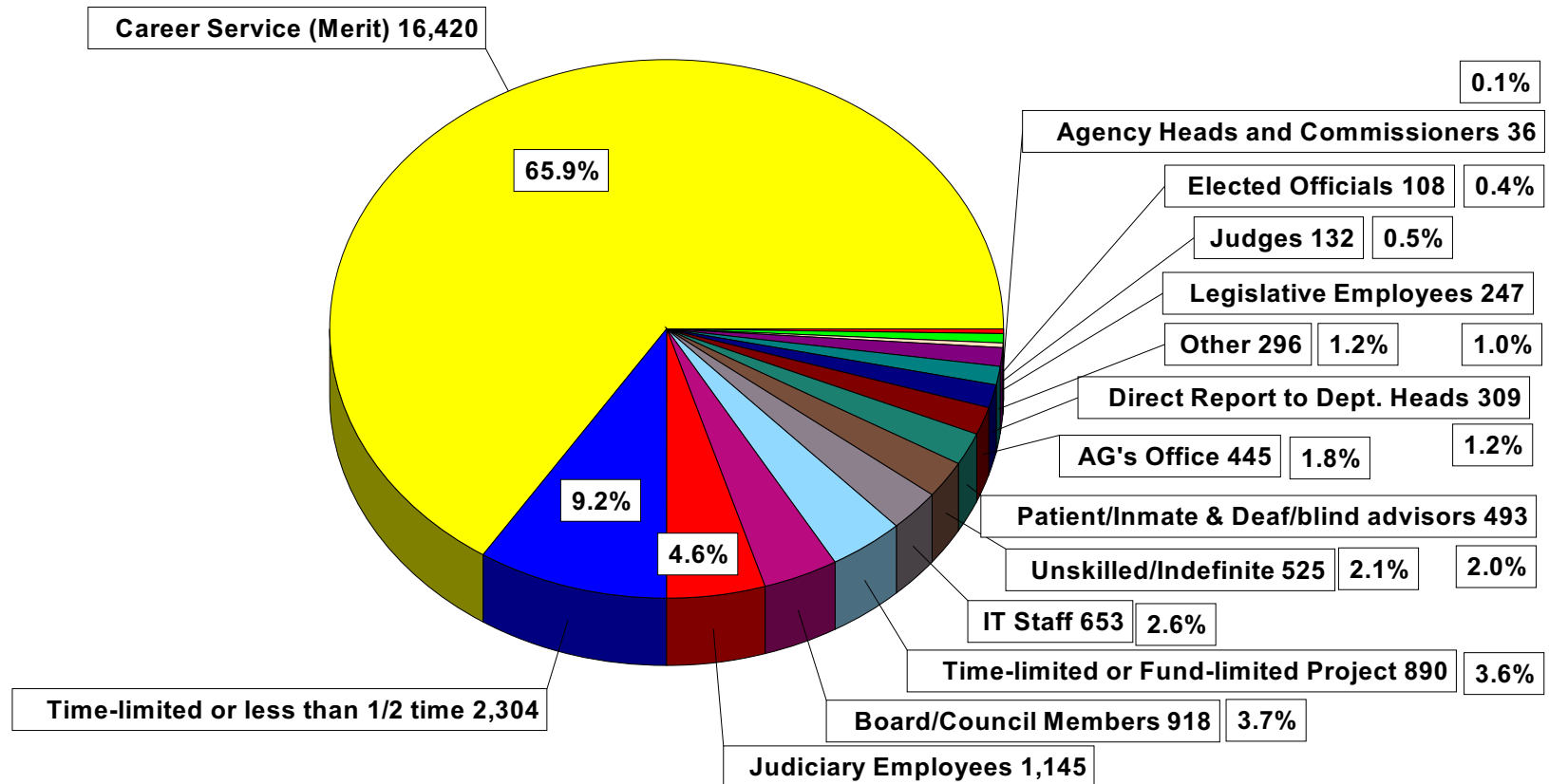
Source: Department of Human Resource Management, April 20, 2009

May 2009

Slide 1.2

State Employees – Category

Total Employees 24,921 – April 2009



Source: Department of Human Resource Management, April 20, 2009

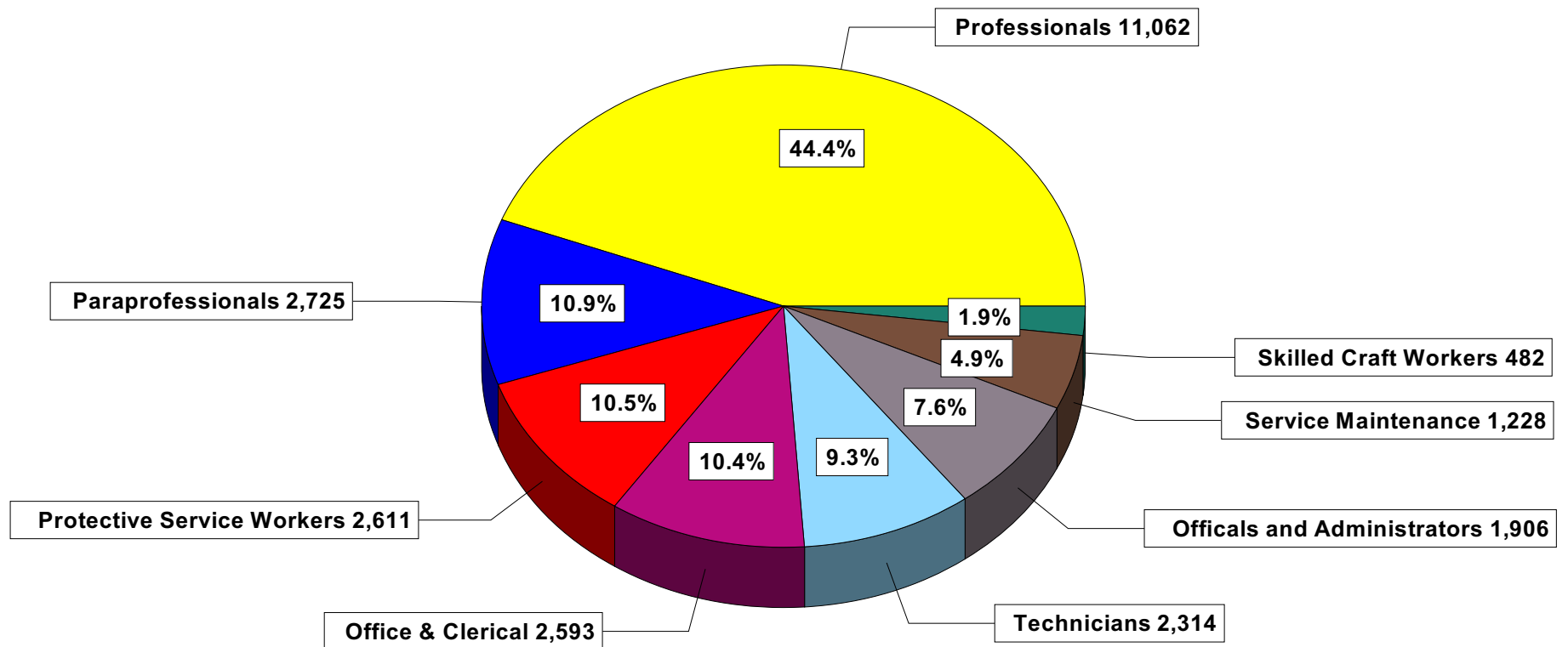
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Slide 1.3

State Employees – Job Description

Total Employees 24,921 – April 2009



Source: Department of Human Resource Management, April 20, 2009

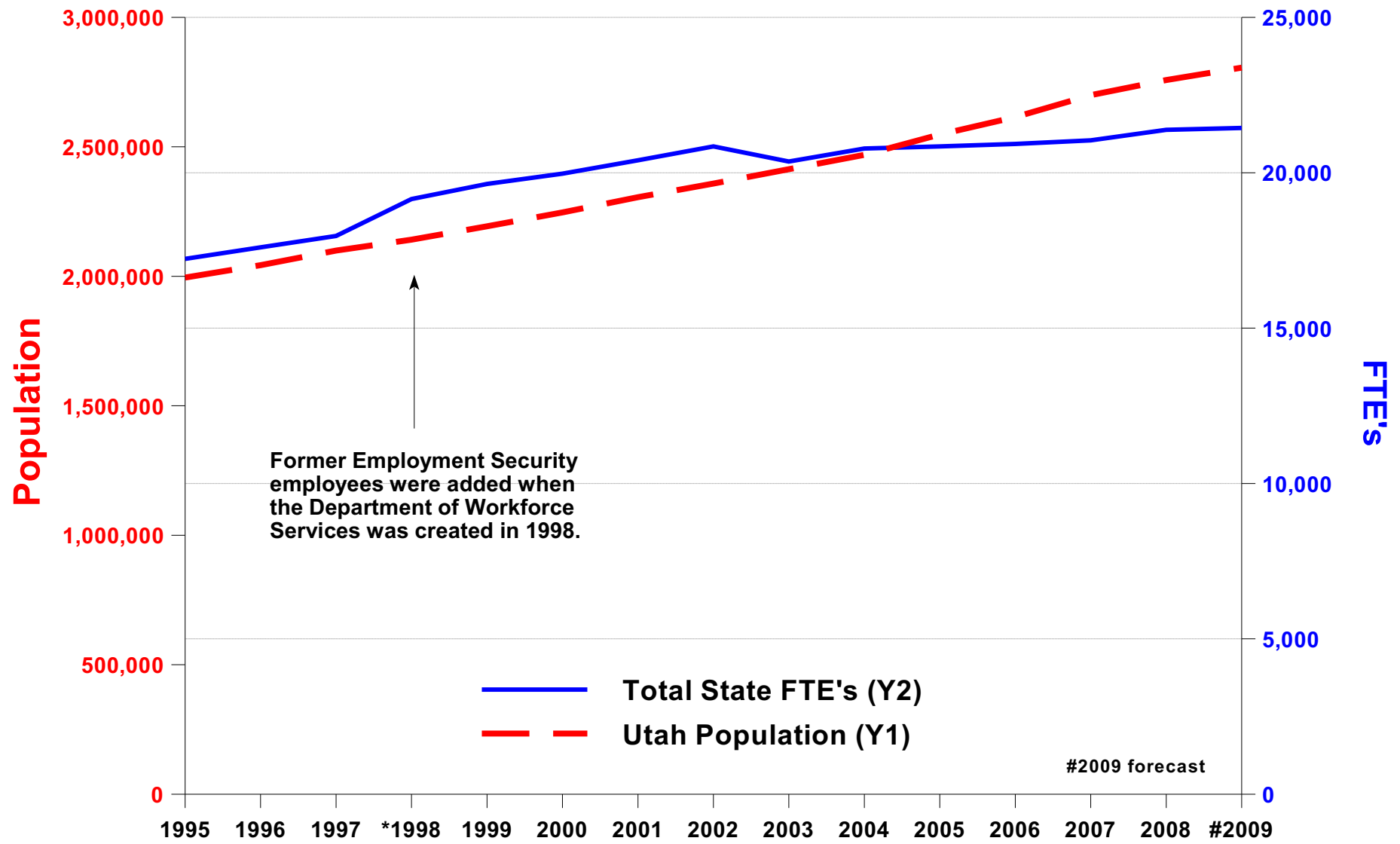
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Slide 1.4

State Population Growth vs. State Employee Count

15 Year FTE (Full-time Equivalent) Growth rate Comparison



Source: Division of Finance April 30, 2009; Office of Planning and Budget, 2009 Economic Report to the Governor

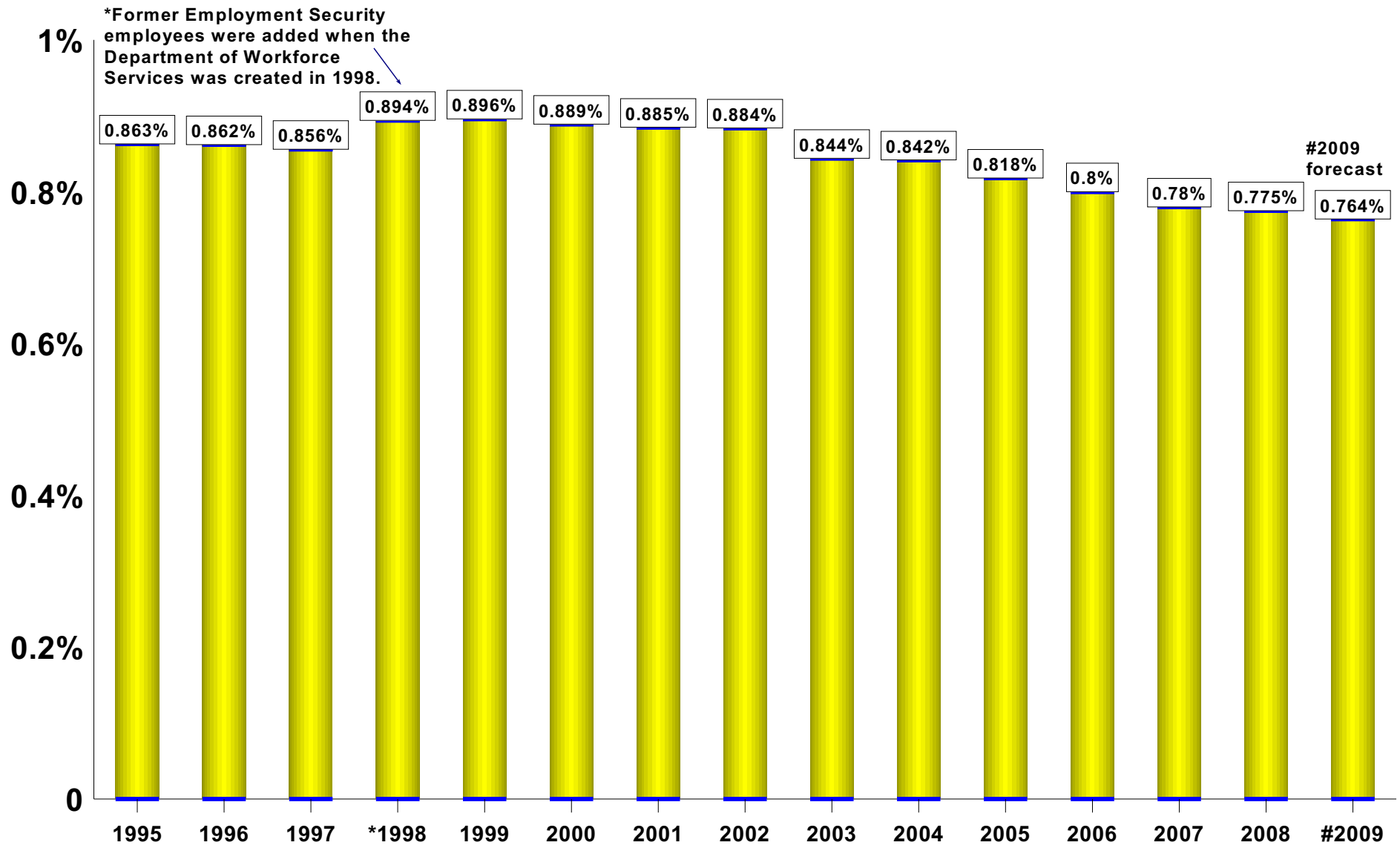
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Slide 1.5

State Employees as a Percent of State Population

15 Year FTE (Full-time Equivalent) History



Source: Division of Finance April 30, 2009; Office of Planning and Budget, 2009 Economic Report to the Governor

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Slide 2

Part 2 - Salary Facts

2009

	FY 2008	FY 2009	Change
• The average annual salary	\$40,730	\$44,903	\$4,173
• The median annual salary	\$36,561	\$40,549	\$3,988
• 85th percentile salary	\$58,005	\$62,577	\$4,572
• Percent of state employees making less than federal poverty guidelines for a family of four (\$22,050 in 2009)	5.1%	3.6%	-1.5%
• Percent of state employees meeting federal food stamp gross income tests for a family of four (\$27,564 in 2009)	20.6%	13.6%	-7.0%
• Percent of state employees making more than \$60,000 per year	12.3%	17.1%	4.8%

Source: Based on Statistics obtained from the Department of Human Resource Management; U.S. Department of Health and Human Services; and U.S. Department of Agriculture, Food, and Nutrition Service, April/May 2009.

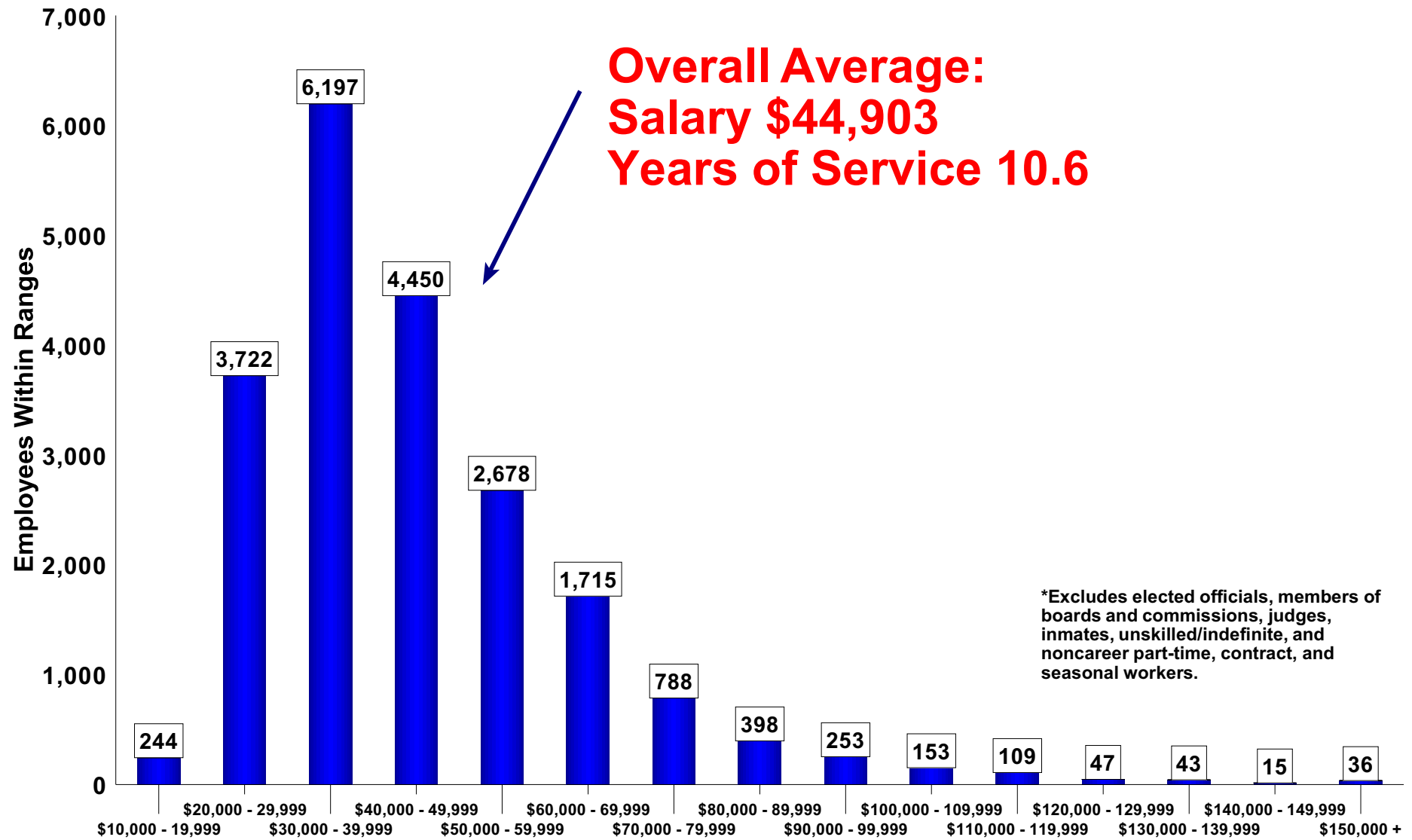
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Slide 2.1

State Employees Distribution by Annual Salary

FY 2009 -- 20,848 Total Employees*

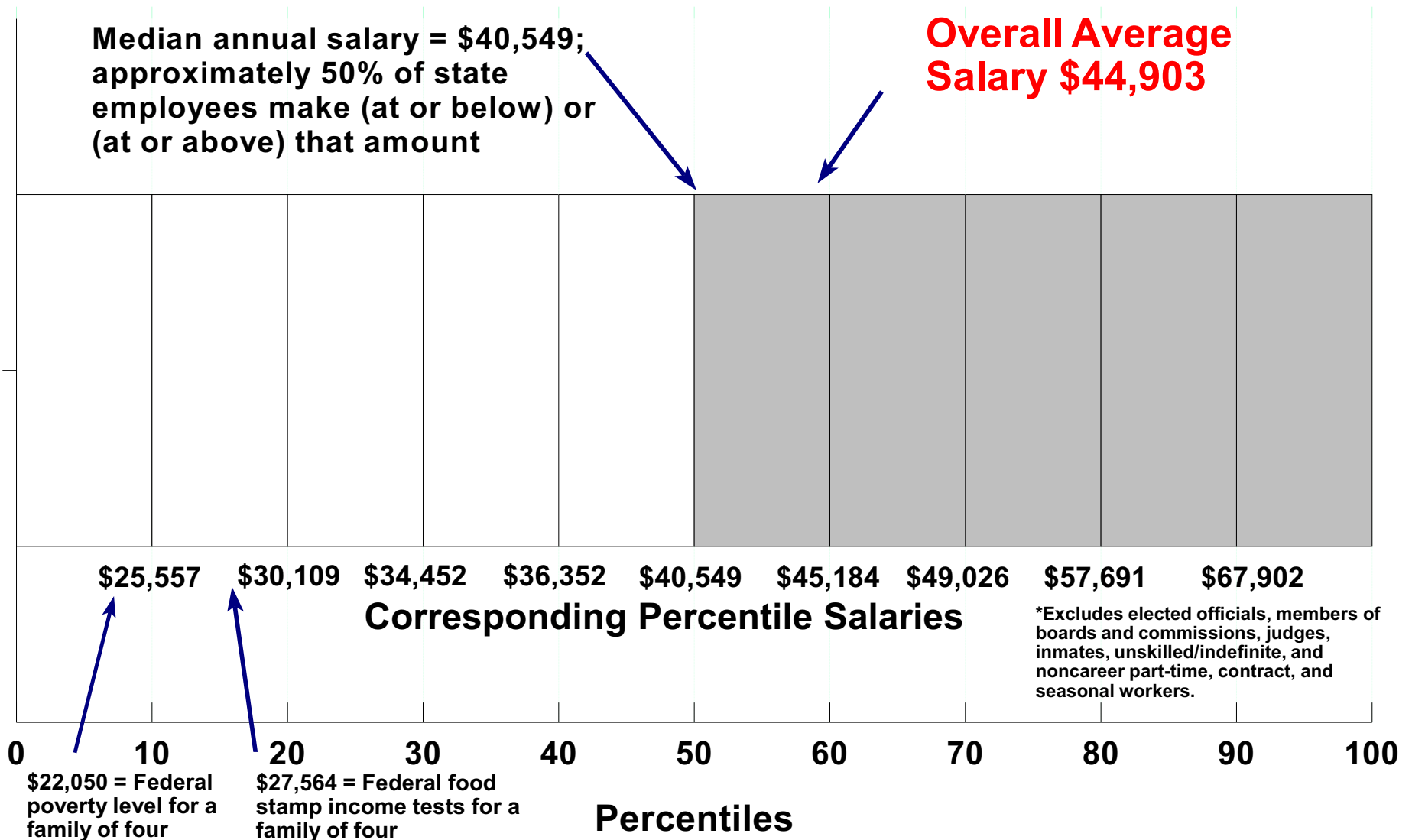


Source: Department of Human Resource Management April 20, 2009
May 2009

Slide 2.2

Percentile Distribution of State Employees' Annual Salary

FY 2009 -- 20,848 Total Employees*



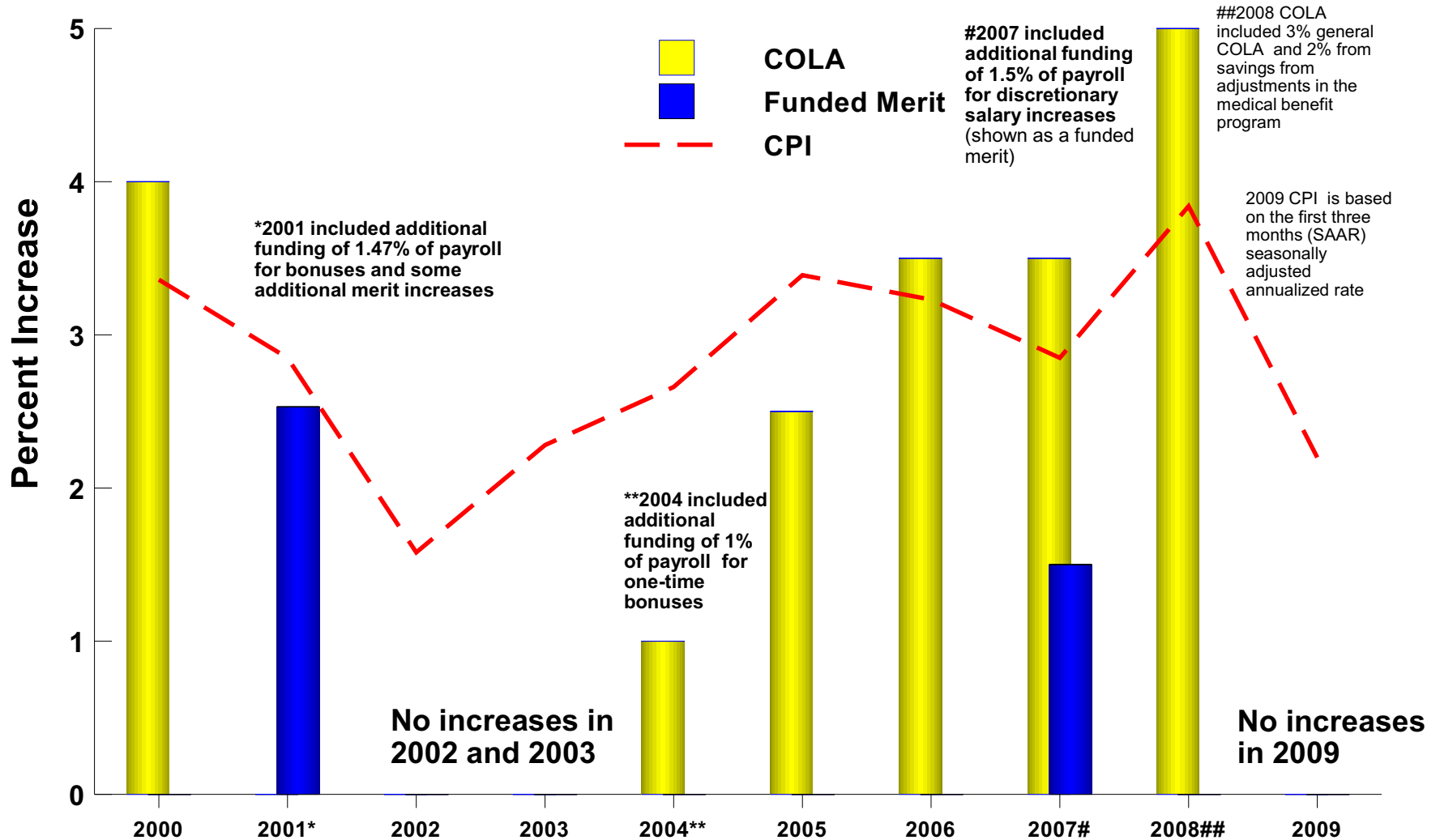
Source: Based on Statistics obtained from the Department of Human Resource Management April 20, 2009; U.S. Department of Health and Human Services; and U.S. Department of Agriculture, Food, and Nutrition Service, May 2009

May 2009

Slide 2.3

10-Year Salary Increase History – State Employees

Cost of Living, Funded Merit, and the Consumer Price Index
Shown By Calendar Year Passed (effective for next Fiscal Year)



Source: Department of Human Resource Management, May 2009 and U.S. Department of Labor for CPI (All Urban Consumers)

MCA (Market Comparability Adjustments) were also funded in '00, '01, '02, '04, and '05

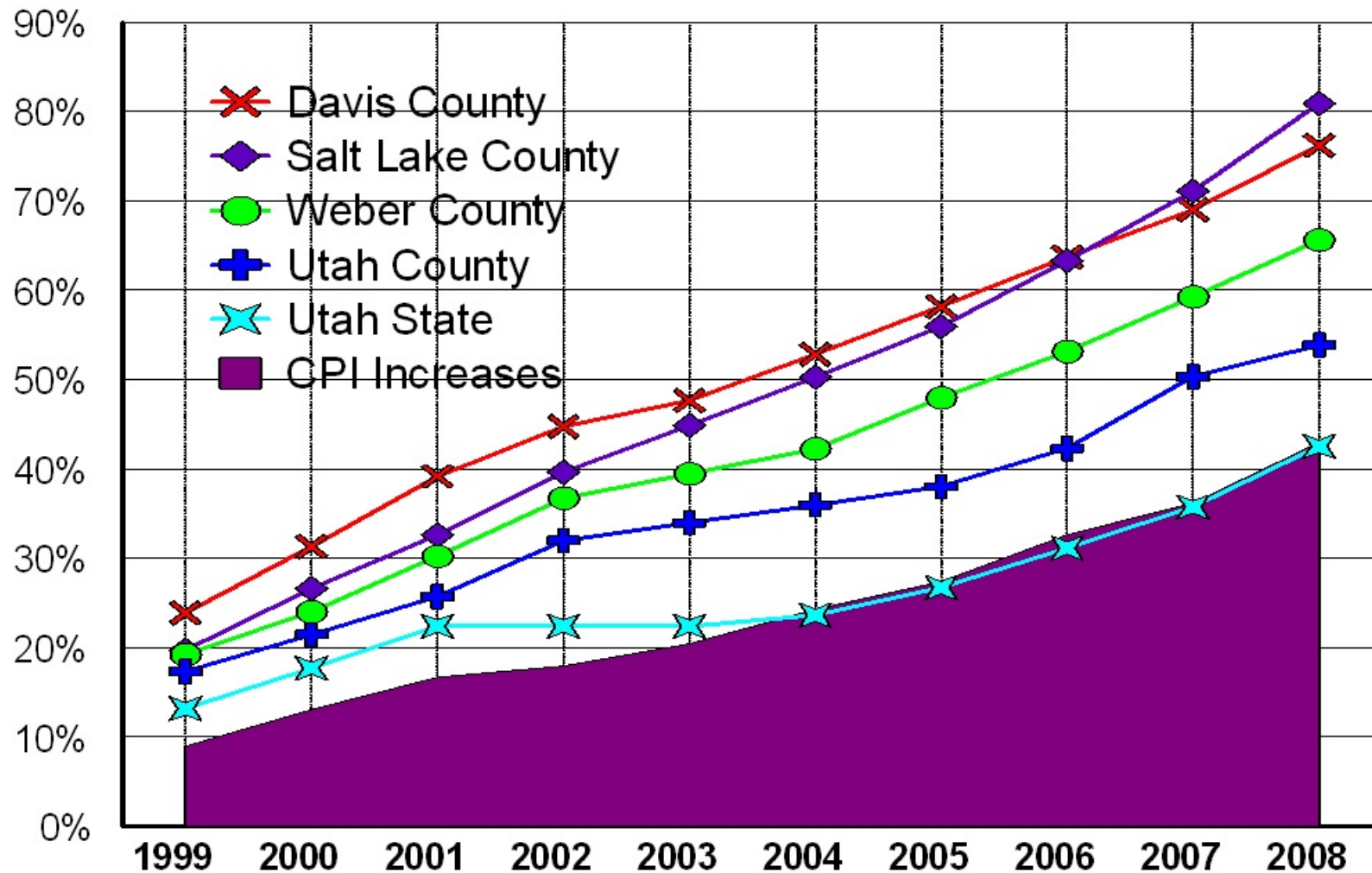
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Slide 2.4

Merit and COLA Salary Increases State and County Employees

10-year Compounded Rate History



Source: Department of Human Resource Management, 10/08/2008

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Slide 3

Part 3 - Compensation Spending Facts

2008

- The state average spending on the cost of employee compensation is \$1.148 billion over the last 10 years (Slide 3.1)
- On average 67.9% is for salaries and 26.3% is for benefits (Slide 3.1)
- In Fiscal Year 2008, the state spent \$935.8 million on salaries and \$448.1 million on benefits for state employees (Slide 3.2)
- The cost of employee compensation is an average of 15.7% of the state annual operating budget during the last 10 years (Slide 3.3)
- Health Insurance Premiums for state employees nearly doubled in seven years 2001 to 2008 (Slide 3.4)
- In FY 2010, for a state employee who makes \$44,903, 61.9% of the total state paid cost of compensation is for salary; 33.8% is for employee benefits; and 4.3% is for employer taxes (Slide 3.5)

Source: Based on Statistics obtained from the Department of Human Resource Management; U.S. Department of Health and Human Services; and U.S. Department of Agriculture, Food, and Nutrition Service, May 2009.

May 2009

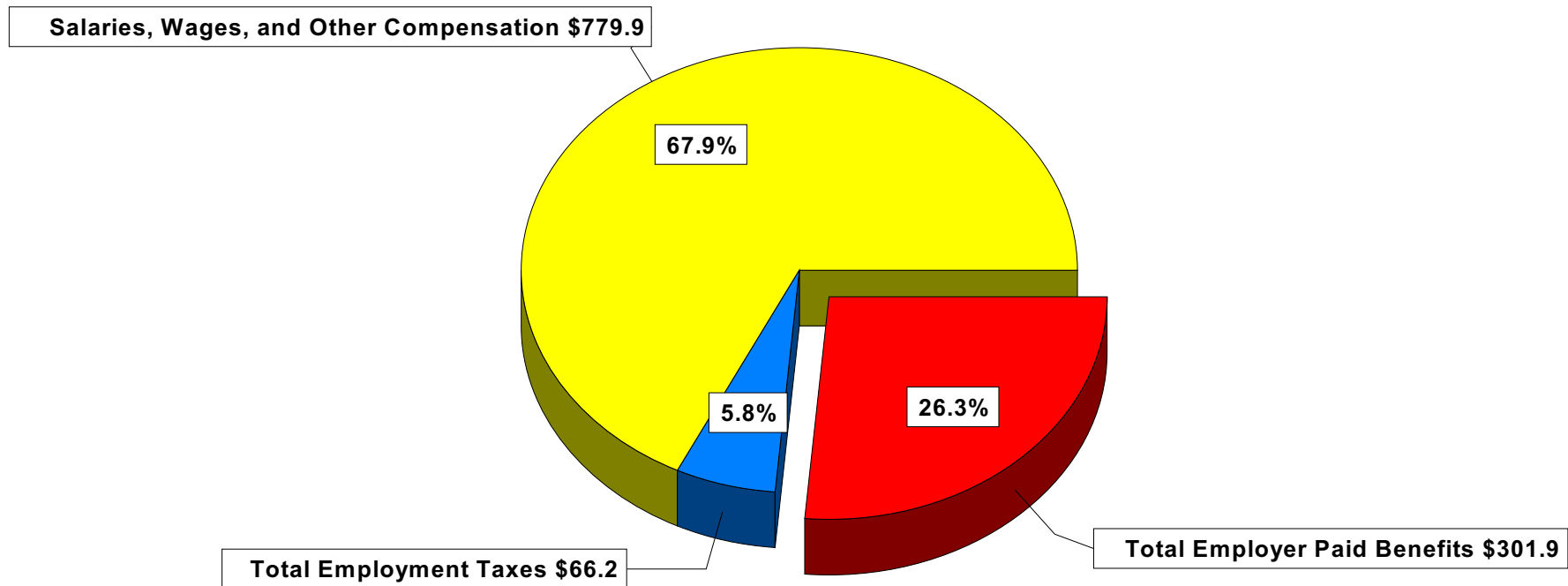


Slide 3.1

Distribution of State Paid Costs for Compensation – State Employees

Annual Average Expenditure = \$1,148 - in millions

Ten-Year Average FY 1999 - 2008



Source: Division of Finance, May 11, 2009

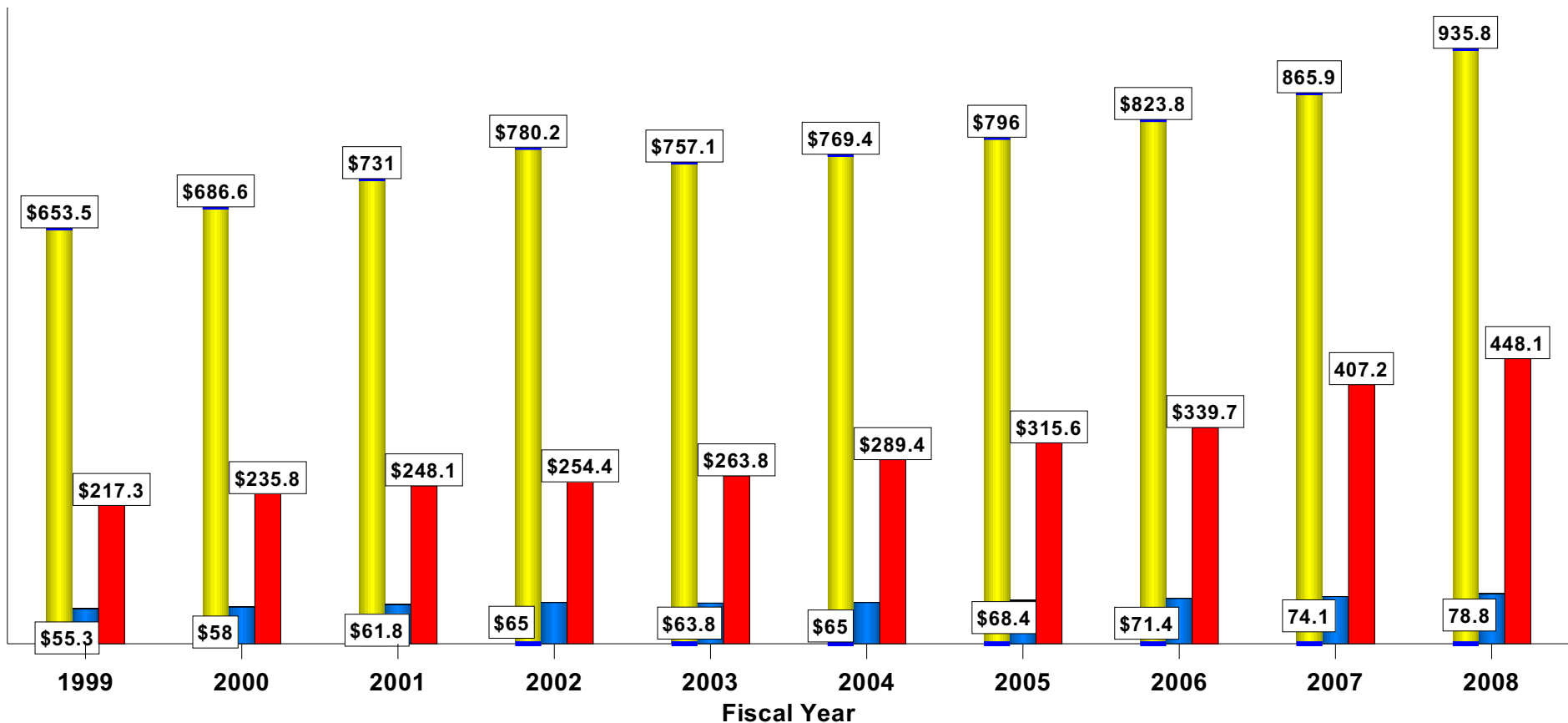
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Slide 3.2

State Paid Cost for Compensation – State Employees

10 Year History - in millions

- Salaries, Wages, and Other Compensation
- Total Employment Taxes
- Total Employer Paid Benefits



Source: Division of Finance, May 11, 2009

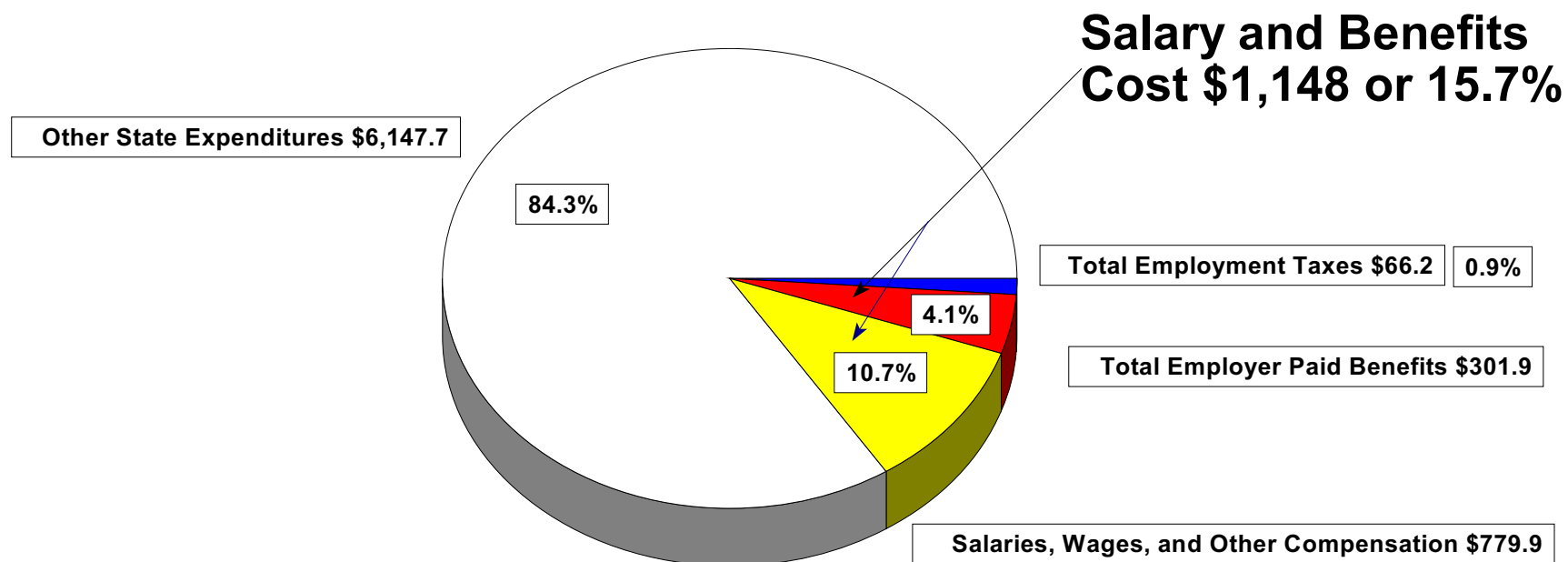
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Slide 3.3

Distribution of All State Operating Expenditures for Costs of Compensation – State Employees

Total Average Annual State Expenditures \$7,295.7 (in millions)

Ten-Year Average FY 1999 - 2008

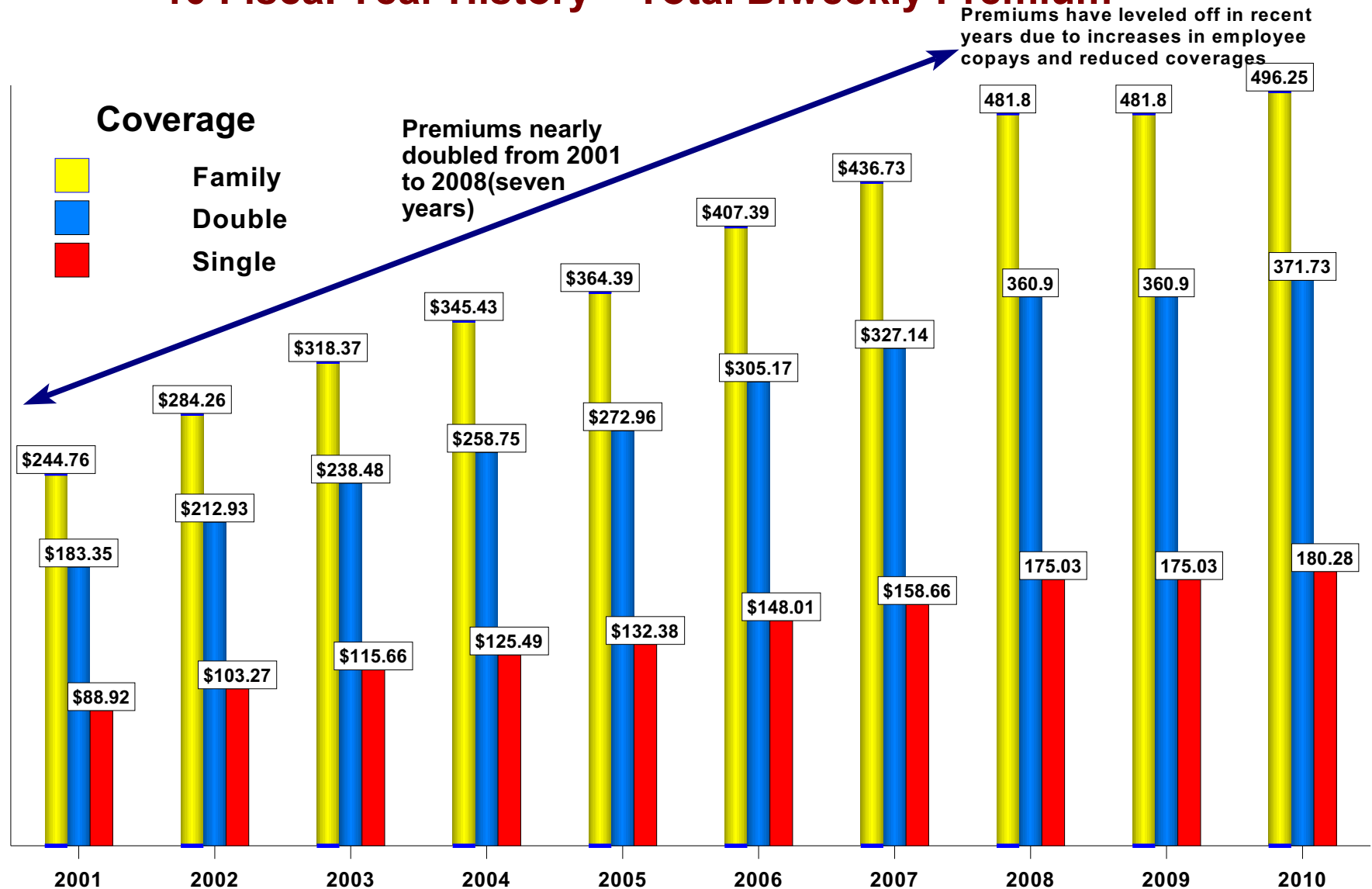


Source: Division of Finance May 11, 2009

May 2009

Slide 3.4

Health Insurance Premium – PEHP Advantage and Summit Care 10 Fiscal Year History – Total Biweekly Premium*



Source: Public Employees' Health Plans, April 2009

May 2009

*Employees paid the following premium shares:
0% before 2003;
2% until FY 2010;
5% beginning FY 2010

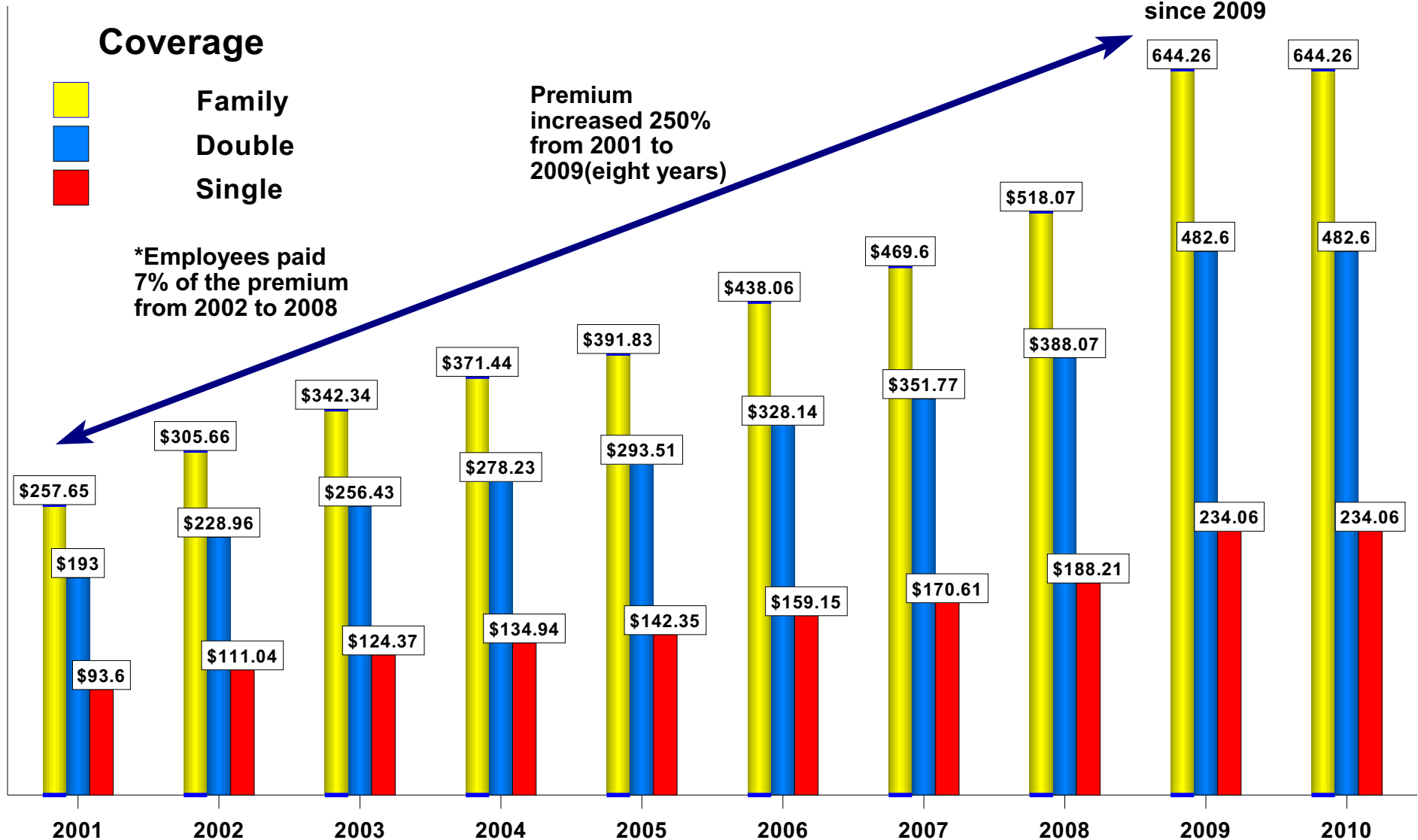


Slide 3.45

Health Insurance Premium – PEHP Preferred Care

10 Year History – Total Biweekly Premium*

*Employees pay 26.7% of the premium since 2009



Source: Public Employees' Health Plans, April 2009

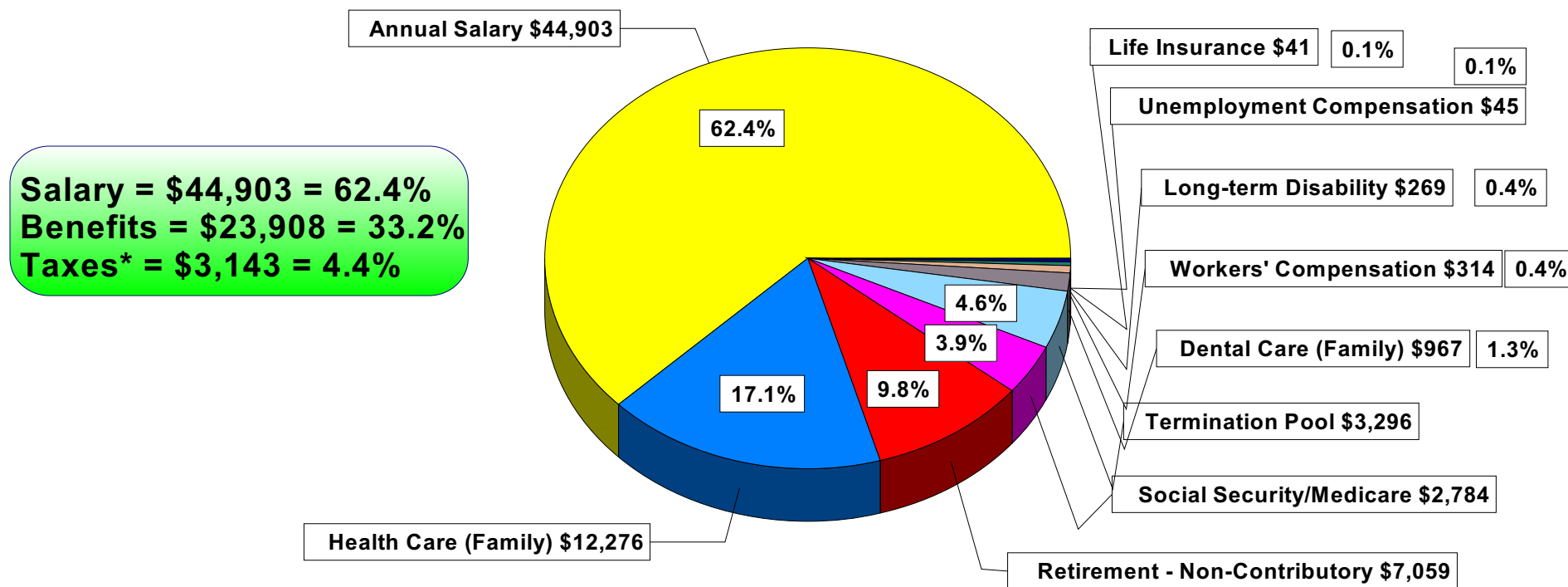
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Slide 3.5

Distribution of State Paid Cost of Compensation

Total Annual Cost = \$71,954

Average State Employee



*Taxes include employer paid unemployment compensation, Workers' Compensation, and Social Security/Medicare

Source: Department of Human Resource Management, April 20, 2009 ; and Division of Finance, April 2, 2009

May 2009

